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STATE OF CALIFORNIA | MANAGEMENT SERVICES
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November 30, 2012

Ms. Monica Evans
Director of Grants Management
U.S. Election Assistance Commission
1201 New York Ave. NW – Suite 300
Washington, DC 20005

Subject: Grant Award Number EAC110150A: Request for No-Cost Extension

Dear Ms. Evans:

The California Secretary of State's Office (SOS) would like to request a 24-month no-cost extension of the project period for the California Post-Election Risk-Limiting Audit Pilot Project.

This request is being submitted 30 days prior to the end of the project period, pursuant to Section III.4.E of the Notice of Grant Award from the Election Assistance Commission (EAC).

Following is information regarding: 1) the reason for delay; 2) the progress on the project to date; 3) the approximate balance of funds remaining on the project; and 4) the plans for use of the remaining funds during the extension period.

Project Summary

In 2011, the SOS received a grant from the EAC under HAVA Section 271 to conduct a two-year post-election audit pilot to test new risk-limiting audit models. The research problem for this project is how to conduct risk-limiting audits that include individual contests, multiple contests and cross-jurisdictional contests in small and large elections. The SOS is partnering with the University of California, Berkeley (UC Berkeley) Statistics Professor Philip B. Stark, who developed and conducted initial tests of election audit models in California. The SOS is working with up to 20 counties and has so far conducted 10 audits following elections in 2011 and 2012. Grant funds are being used to test and document audit processes and best practices for conducting cost-effective post-election audits using a parallel tally system and the risk-limiting audit methods developed by Professor Stark.

Reason for Delay

Several counties that were scheduled to participate during 2012 had to postpone their participation due to serious difficulties the audit team experienced with the parallel tally software developed for the project. As a result, the large audits scheduled for 2012 did not take place. The next opportunity to conduct multi-contest and multi-jurisdictional audits that test the viability of using risk-limiting audit models in large elections will be in the 2014 state and federal elections. While some California counties may hold local or special elections during 2013, the SOS audit team has already successfully tested the audit software and risk-limiting audit models on small, local elections, so there is little knowledge or experience to be gained from conducting additional small audits during 2013.

Progress to Date

So far the audit team has conducted audits in 10 California counties following live elections. Eight of the audits were conducted following small local elections held in 2011 and two audits were conducted in small counties, Madera and Napa, following the June 2012 election. Below is a chart showing the status in each participating county.

County	Election	Audit
Alameda	Nov. 8, 2011	Dec. 5, 2011
Alpine	Nov. 6, 2012	Postponed
Colusa	Nov. 6, 2012	Postponed
El Dorado	Nov. 6, 2012	Postponed
Humboldt	Nov. 8, 2011	Dec. 16, 2011
Madera	June 5, 2012	Sept. 20, 2012
Marin	June 5, 2012	Postponed mid-audit
Merced	Nov. 8, 2011	Dec. 12, 2011
Monterey	May 3, 2011	May 6, 2011
Napa	June 5, 2012	July 20, 2012
Orange (2011)	Mar. 8, 2011	Mar. 14, 2011
Orange (2012)	June 5, 2012	Postponed mid-audit
Sacramento	Nov. 6, 2012	Postponed
San Luis Obispo	Aug. 30, 2011	Sept. 12, 2011
Santa Cruz	June 5, 2012	Postponed mid-audit
Stanislaus	Nov. 8, 2011	Dec. 2, 2011
Sutter	Nov. 6, 2012	Postponed
Ventura	Nov. 8, 2011	Nov. 29, 2011
Yolo	June 5, 2012	Postponed mid-audit
Yuba	Nov. 6, 2012	Postponed

Balance of Grant Funds Remaining

The overall balance of grant funds remaining to be drawn down for the project is: \$131,968. (\$98,032 has been drawn down so far.) All remaining funds, aside from the SOS portion, have been encumbered by contracts with participating counties and the University of California, Berkeley. As indicated in the chart above, most participating counties have either completed an audit or prepared for an audit and had begun the parallel tally process before software problems were discovered and audits were postponed. The SOS expects invoices in the coming months from these counties and from the University of California, Berkeley, for work already completed.

Plans for Use of Remaining Grant Funds During the Extension Period

The audit team and participating counties plan to use the remaining grant funds on the following unfinished components of the project:

Cross-Jurisdictional Auditing. To date, a risk-limiting audit of a contest that crosses jurisdictional boundaries has never been conducted in the United States. The SOS has identified two sets of adjacent counties: Yolo and Sacramento, as well as Santa Cruz and Monterey, which are willing to conduct joint audits of cross-jurisdictional contests. During 2014 these counties will share a number of cross-jurisdictional contests which can be audited.

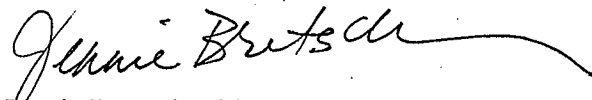
Auditing in Large Jurisdictions with Multiple Contests. A viable auditing model must be usable in any election – whether large or small. While the SOS has successfully tested risk-limiting audits in small elections, the team needs more time to successfully test risk-limiting audit methods in large California elections. A 24-month extension to the 2014 election year will provide the next opportunity to test risk-limiting audits of multiple contests on the same ballot in large California counties, such as Orange County. During 2013, the SOS will prepare for the 2014 audits by improving auditing procedures, including ballot accounting, ballot scanning and parallel tally procedures and by coordinating with the University of California as it works to improve the parallel tally software being used for the audit pilot program.

Counties Awaiting Participation. The following counties made preparations to conduct large, multi-contest audits following the June 2012 elections, but did not have the opportunity to participate due to serious difficulties with the software developed for the audit program: Orange, Sacramento, Yolo, Santa Cruz, and Marin. These counties, and the counties originally scheduled to conduct audits following the November 2012 election, are willing to conduct pilot audits in 2014 should the EAC grant a 24-month extension.

The SOS would welcome the opportunity to discuss this request with you by phone at your earliest convenience. I can be reached at (916) 651-8297, or you may contact Debbie O'Donoghue at (916) 653-6173 to set up a conference call.

Thank you for your consideration.

Sincerely,



Jennie Bretschneider
Assistant Chief Deputy Secretary of State and Counsel

cc: Professor Philip B. Stark, University of California, Berkeley